

# NOTICE OF PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

## Agency Information

- Agency: Insurance - Administration  
 Room no.: 3110  
 Building: STATE OFFICE BLDG  
 Street address 1: 450 N MAIN ST  
 Street address 2:  
 City, state, zip: SALT LAKE CITY UT 84114-1201  
 Mailing address 1: PO BOX 146901  
 Mailing address 2:  
 City, state, zip: SALT LAKE CITY UT 84114-6901

## Contact person(s):

Name: Phone: Fax: E-mail:

Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov
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(Interested persons may inspect this filing at the above address or at DAR during business hours)

## Rule Information

DAR file no: 33821 Date filed: 07/14/2010 12:51 PM  
 State Admin Rule Filing Key: 149939  
 Utah Admin. Code ref. (R no.): R 590 - 244 -  
 Changed to Admin. Code ref. (R no.): - -

## Title

- Title of rule or section (catchline):  
 Individual and Agency Licensing Requirements

## Notice Type

- Type of notice: Amendment

## Rule Purpose

- Purpose of the rule or reason for the change:  
 The reason for the change to this rule is to update the license processing requirements.

## Response Information

- This change is a response to comments by the Administrative Rules Review Committee.  
 No

## Rule Summary

- Summary of the rule or change:  
 Section 2 no longer exempts title insurance licensees from the requirements of this rule; Section 4 requires documents in a criminal prosecution or administrative action to be filed electronically. Hard copies of documents relating to an

application are no longer required to be filed. Incomplete submissions are given 45 days to be completed before they may be rejected by the department. Section 7 sets the renewal/expiration date for bail bond agency licenses to July 15. Renewal notices will now be sent electronically to the licensees' business email address rather than their mailing address. Email notices sent to licensee by the department are considered received. Those failing to notify the department of changes to their email address may be subject to penalties. Section 8 sets a timetable for submitting reinstatement applications after an incomplete renewal application has been filed. Section 11 requires certain licensing amendments be done electronically by fax or pdf, or be submitted through SIRCON or NIPR.

#### Aggregate Cost Information

##### 7. Aggregate anticipated cost or savings to:

###### A) State budget:

Affected: No

Title agents are already following the provisions of this rule so their inclusion in its requirements will have no impact on the department. Since the department will no longer be required to mail renewal letters to 40,000 plus licensees annually the department will save on paper, envelopes, mailing costs and communication time. There will also be a savings in time spent by employees each month to send license renewal notices to licensees.

###### B) Local government:

Affected: No

This rule and change will have no affect on local governments since it deals solely with the relationship between the department and its licensees.

###### C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

Organizations licensed with the department will not be financially impacted. In the past when they have received renewal notice they have gone on-line to apply for the renewal, which will remain the same. There may be some savings for those that will apply for certain amendments to their licenses, which can be done electronically now versus by mail.

###### D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

Individuals and organizations licensed with the department will have no financial impact. In the past when they have received renewal notice they have gone on-line to apply for renewal, which will remain the same. There may be some savings for those that will apply for certain amendments to their licenses, which can be done electronically now versus by mail.

#### Compliance Cost Information

##### 8. Compliance costs for affected persons:

There should be no additional compliance costs resulting from these rule changes. With the turn to paperless communication, paper, printing and mailing costs should be reduced significantly. This will greatly reduce costs for the department if they are no longer required to mail renewal notices to 85,000 plus licensees. There will also be a time savings factor for all parties involved with the quick and efficient transferral of information offered by email.

#### Department Head Comments

##### 9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

The changes to this rule will create a cost savings to the department with the elimination of mailing costs for license renewal notices. It will have a negligible effect on licensees.

##### B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch, Insurance Commissioner

#### Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :

31A-23a-115

31A-25-201

31A-35-406

31A-35-401

31A-25-208

31A-23a-111

31A-26-210

31A-23a-302

31A-2-201

31A-26-213

31A-23a-110

31A-35-104

31A-26-202

31A-23a-104

31A-35-301

#### Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

<div>Official Title of Materials Incorporated (from title page):</div> <div>Publisher:</div> <div>Date Issued:</div> <div>Issue, or version:</div> <div>ISBN Number:</div> <div>ISSN Number:</div> <div>Cost of Incorporated Reference:</div> <div>Adds, updates, removes:</div>
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#### Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See

Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

08/31/2010

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

09/07/2010

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
- insurance
  - requirements
  - licensing

File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title:

Jilene Whitby Information  
Specialist

Date (mm/dd/yyyy): 07/13/2010